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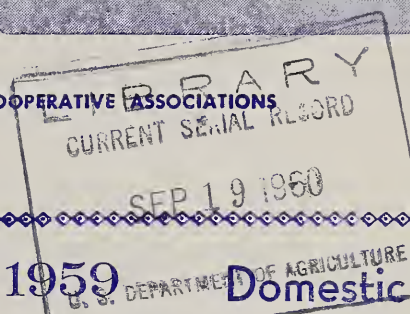
BULLETIN

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Milk Production Running Ahead of 1959 Domestic Use of Casein

At Record Level

Production of milk in the United States first exceeded the 120 billion pound level in 1953, rising from 115 billion pounds in 1952 compared with 94.8 billion in 1925-29 and 103.6 billion in 1935-39. Much smaller increases in the next four years carried the total to a record high of 125.9 billion pounds in 1957. Output dropped 1 billion pounds in 1958 and an additional one-half billion pounds in 1959. The decline in 1959 was accounted for by relatively sharp declines from May through August. The aggregate declines in these months was 772 million pounds and was partly offset by small increases in all other months except November. Of the net decline during 1959, 487 million pounds, Wisconsin accounted for 275 million pounds, or nearly 60 percent.

In each month so far during 1960, milk production has exceeded that of a year earlier. In the first 5 months, output was larger than in the corresponding months of 1959 by 636 million pounds, or about 1 percent. Late development of pastures in the Northern tier of States tended to depress milk output in those areas during May. Nevertheless, output for May was 90 million pounds above a year earlier and also slightly above May 1958, though it fell short of May output for the period 1954 through 1957. In recent years, the months of May through August have been contributing relatively less to the annual total than was true in earlier years. Pasture conditions on June 1 were improved over May 1 and were the best for that date in 16 years.

Factors influencing the level of milk production in the short-term includes weather and crop conditions, along with fluctuations in the relationship of milk prices to price of feed, hogs and beef cattle. During 1959 most changes in economic relationships favored increased output of milk. These were entirely offset, however, by comparatively unfavorable weather and pasture conditions in important dairy areas, from May through August, which resulted in a drop of three-quarters of a billion pounds of milk from a year earlier. The prices received for milk and butterfat averaged higher in 1959 than 1958, while prices paid for feed were a little lower. The price for beef cattle, one of the more important economic factors influencing milk production declined and the relationship of milk prices to beef prices improved over a year earlier. During the past winter, the milk-hog price relationship was the most favorable for milk production in nearly two decades. Dairy men showed their response to the improved economic relationships by reducing the rate of decline in number of milk cows and increasing the number of young dairy stock to a record high level compared with the number of mature stock on hand. The cumulative effects of these adjustments explain the increase in milk flow this year.

The rate at which output increases will depend, in a considerable degree, on movements during the rest of this year and early 1961 in the price of beef cattle.

One important by-product of milk is casein. It has several uses, including the "sizing" of paper and binding for gypsum products. It is also used extensively in the food and pharmaceutical industries. The quantities supplied by domestic production and by imports have fluctuated considerably over the past 40 years. During the 1920's slightly over half of domestic requirements were met by imports. In the 1930's imports declined, as relatively low prices for dairy products led to increased domestic production of casein, while domestic use was lower in several years than in the late 1920's. Another factor cutting imports was the increase in tariff rates on this item effective in 1930. During the war years of the 1940's, domestic skim milk was directed in greater quantities for drying operations, and imports of casein increased relative to domestic production. This shift was accelerated in the 1950's by a duty reduction on casein and increasing production of nonfat dry milk in the U. S. By 1957, three or fewer plants were engaged in the domestic production of casein, and official reporting of production ceased. Unlimited imports of casein were permitted in contrast to the quotas in effect for many other dairy products and the import movement further heightened, starting in 1958 by a temporary abrogation of duty.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each 1/10%	

July 1960	June 1960	July 1959
\$3.63	\$3.53	\$3.76
3.985	3.885	4.125
4.206	4.208	4.293
3.806	3.808	3.893
3.514	3.506	3.499
2.883	2.886	2.879
7.1¢	7.1¢	7.3¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
" " " B.F. " " I	
" " " Milk " " II	
" " " B.F. " " II	
" " " Milk " " III	
" " " B.F. " " III	
" " " Milk " " IV	
" " " B.F. " " IV	

75.5	68.3	79.6
74.4	67.1	78.2
7.8	7.5	8.3
2.4	2.4	2.5
3.5	3.3	4.1
4.7	4.4	6.2
13.2	20.9	8.0
18.5	26.1	13.1

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Production per Producer	
Average Butterfat Test	
Total Value of Producer Milk at Test	
Income per Producer (7 Day Average)	

27,223,982	29,844,239	26,599,943
662,956	679,644	682,833
1,644	1,657	1,749
534	600	491
3.67	3.69	3.67
\$1,112,130.47	\$1,195,728.94	\$1,123,999.87
\$152.75	\$168.38	145.12

GROSS CLASS USE (Pounds)

Class I Skim	
" I B.F.	
" I Milk	
" II Skim	
" II B.F.	
" II Milk	

19,808,680	19,649,073	20,403,867
742,940	740,256	763,947
20,551,620	20,389,329	21,167,814
2,192,146	2,220,493	2,278,887
24,179	26,620	24,762
2,216,325	2,247,113	2,303,649

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

265,745	275,281	277,560
5,930	5,597	7,468
11,024	12,010	13,365
10,024	10,849	10,694
8,983	8,628	7,682

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



JULY 1951 - '60

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1951.....	20,995,972	3.87	62.4	28.4	9.3	—	4.15	4.366	3.967	3.499	—	2,113	320
1952.....	20,273,501	3.83	68.9	27.5	3.6	—	4.47	4.949	4.549	3.803	—	2,121	308
1953.....	22,845,408	3.79	68.9	23.0	8.1	—	4.03	4.573	4.173	3.427	—	2,223	331
1954.....	23,554,889	3.76	67.6	7.8	14.8	9.8	3.53	4.20	3.80	3.22	3.05	2,158	352
1955.....	24,524,882	3.69	67.9	8.0	12.2	11.9	3.64	4.282	3.883	3.315	3.137	2,086	379
1956.....	25,619,223	3.74	67.7	8.8	10.6	12.9	3.84	4.602	3.942	3.372	3.197	2,044	404
1957.....	25,721,802	3.66	72.3	8.2	14.9	4.6	3.79	4.379	3.979	3.479	3.057	1,906	435
1958.....	25,099,314	3.67	72.0	8.8	11.0	8.2	3.51	4.079	3.679	3.279	2.856	1,808	448
1959.....	26,599,943	3.67	79.6	8.3	4.1	8.0	3.76	4.293	3.893	3.499	2.879	1,749	491
1960.....	27,223,982	3.67	75.5	7.8	3.5	13.2	3.63	4.206	3.806	3.514	2.883	1,644	534

Feed Grain Prices Continue Below 1959 Level

Although feed grain prices advanced 9 percent from December to June, the gain was less than in the same period of 1958-59 and prices continue below the 1958-59 level. In June, prices received by farmers averaged 5 percent lower than in that month last year. Lower prices apparently reflect the large 1959-60 supplies, generally favorable prospects for 1960 crops and reduced demand from poultry and hog producers. If prospects continue favorable for the 1960 crops, feed grain prices may continue a little below a year earlier this summer and fall.

In June, the average price received by farmers for corn was \$1.08 per bushel, 8 cents lower than a year earlier and 4 cents

per bushel below the national average support price for 1959 corn. Corn prices during the next few months will be influenced by prospects for the 1960 crop and also by the announced minimum support price for 1960 of \$1.06 per bushel, which is 6 cents below the support last year. If production prospects continue favorable for 1960 corn, prices will decline seasonally during the next few months and may average lower this fall than a year earlier.

Prices of oats and barley have declined from seasonal high points reached in May. Oat and barley prices may reach their seasonal lows later than normal this summer, as harvesting of the crops will be late in the mid-west. While prices of oats

and barley were lower in early July this year than last, they are above the national average support rates for the 1960 crop which are the same as in 1959.

With prospects generally favorable for the 1960 sorghum grain crop, prices received by farmers continue near the national average support level of \$1.52 per 100 pounds for the 1959 crop. The average price received by farmers for sorghum grain probably will again fall below the 1960 support level of \$1.52 per 100 pounds this fall. In 1959 the seasonal low for sorghum grain was reached in October when the prices received by farmers averaged \$1.48 per 100 pounds, 4 cents below the support level.

IMPORT QUOTAS INCREASED FOR SOME VARIETIES OF CHEESE

Foreign trade in dairy products by the United States was largely uncontrolled before World War II, except for import duties. During World War II, international trade in dairy products was generally disrupted. A substantial portion of the U.S. exports in that period were in the nature of assistance to Allies and were primarily for the account of the U. S. Government.

In 1958 and 1959 imports increased substantially for some non-quota Italian cheese from Italy and Colby cheese from New Zealand. Swiss cheese also rose, reflecting heavy in-shipments from Finland of Emmenthaler for manufacturing.

Import restrictions were first placed on some dairy products early in 1942 and were maintained until 1948. Except for butter and butter oil dairy products were free of import controls from January 1,

1948 to August 8, 1951. Effective August 9, 1951, import controls were established for certain dairy products under the authority of the Defense Production Act of 1950. This authority expired as of June 30, 1953, at which time Section 22 of the Agricultural Adjustment Act, as amended, was invoked to continue such controls. Under Section 22, import quotas on any article cannot be less than 50 percent of the annual average quantity entered in a representative period. In general, these quotas (maintained on certain dairy products under both the Defense Production Act and Section 22) have been allocated among both countries and individual importers on the basis of their import history.

The first change in import quotas from those proclaimed in 1953 was made in April 1957 to cope with growing imports of butter oil.

529 MILLION BUSHEL OF CORN PLACED UNDER PRICE SUPPORT

Farmers placed 529 million bushels of 1959 corn under loan and purchase agreement, 148 million more than in 1958-59, but below the record of 551 million in 1948. Heavy disappearance from the record 1959 crop and the high moisture content of corn in the Corn Belt appear to be largely responsible for holding the quantity going under support below the previous record. The quantity placed under support was 12.1 percent of production, above the percentage for 2 preceding years, but less than in a number of other postwar years.

The average price received by farmers during November-May was \$1.00 per bushel, 12 cents below the support rate and 5 cents per bushel lower than a year earlier.

